

To: United States Bankruptcy Court
Southern District of New York
One Bowling Green
New York, NY 10004-1408

From: Paul Goodman

Subject: Case 22-10964 (MG)

When Celsius changed its Term of Service on April 15, 2022, assets in “Celsius Earn” should have been automatically switched to Celsius Trust for Account Holders not fitting the definition of an “Accredited Investor.”

Dear Your Honor:

On April 15, 2022, Celsius changed its Terms of Service related to “Celsius Earn.” On that date, Celsius stated that only individuals meeting the SEC’s definition of an “Accredited Investor” were allowed to utilize “Celsius Earn.” I did not fit the SEC’s definition:

Net worth over \$1 million, excluding primary residence (individually or with spouse or partner)
Income over \$200,000 (individually) or \$300,000 (with spouse or partner) in each of the prior two years, and reasonably expects the same for the current year.

In my case, soon after April 15, 2022, Celsius processed my small Bitcoin transfer into a new “Celsius Trust” account. Celsius had access to my personal information, so they were well aware that I did not fit the SEC’s definition of an “accredited investor.” Yet, Celsius failed to protect me by automatically transferring what I already had in a “Celsius Earn” account to the newly set-up “Celsius Trust” account.

I understand some of the difficult decisions that Your Honor will have to decide in this bankruptcy case. One of the decisions will be whether the assets in “Celsius Trust” accounts should be treated differently than assets in “Celsius Earn” accounts. It is my contention that assets in “Celsius Trust” accounts should be treated differently. Further, I contend that Celsius was required to, but did not, abide by the SEC’s definition of individuals who did not fit the definition of an accredited investor. I would therefore ask that Your honor rule that the net asset value of all non-accredited investors’ “Celsius Earn” portfolios, as of April 15, 2022, be transferred to their Celsius Trust Portfolio and the resulting 4/15/2022 assets in their Celsius Trust account be returned in full.